RECENT CASES

ADMIRALTY — JURISDICTION — STATE WORKMEN'S COMPENSATION ACTS AS APPLIED TO MARITIME ACCIDENTS. — A bargeman employed by the petitioner was accidentally killed in the course of his employment. A federal statute provides that state workmen's compensation acts may apply to maritime accidents. (40 STAT. AT L. 395.) The dependents of the deceased were awarded compensation under the Workmen's Compensation Law of New York. The petitioner sought to have the award annulled on the ground that the federal statute was unconstitutional. *Held*, that the award be annulled. *Knickerbocker Ice Co.* v. *Stewart*, U. S. Sup. Ct., October Term, 1919, No. 543.

The judicial power of the United States extends to "all cases of admiralty and maritime jurisdiction." CONSTITUTION, Art. 3, § 2. The purpose of this provision is to establish a uniform national system of maritime law. See *The Lottawanna*, 21 Wall. (U. S.) 558, 574; *Southern Pacific Co.* v. *Jensen*, 244 U. S. 205, 215; *Chelentis* v. *Luckenbach S. S. Co.*, 247 U. S. 372, 381. State regulation of matters where uniformity is not essential is permissible. *The J. E. Rumbell*, 148 U. S. 1; *The Hamilton*, 207 U. S. 398. Thus, a state may fix pilotage fees. *Cooley* v. *Board of Wardens*, 12 How. (U. S.) 299. But state legislation on matters as to which uniformity is necessary is invalid. *The Moses Taylor*, 4 Wall. (U. S.) 411; *The Roanoke*, 189 U. S. 185. Workmen's compensation legislation is such a matter. *Southern Pacific Co.* v. *Jensen*, 244 U. S. 205. See 31 HARV. L. REV. 488. Since state legislation producing diversity of regulation on this matter is unconstitutional, it would seem that federal legislation producing the identical diversity by making effective the identical state enactments would also be unconstitutional. A different result has been reached, however, in analogous cases involving the commerce clause. CONSTITUTION, Art. 1, § 8. The purpose of the clause is to secure uniformity of commercial regulations. See *Brown* v. *Maryland*, 12 Wheat. (U. S.) 419, 445; *Minnesota Rate Cases*, 230 U. S. 352, 399. Nevertheless, federal legislation making effective state regulation of interstate traffic in intoxicating liquors has been upheld. *In re Rahrer*, 140 U. S. 545; *Clark Distilling Co.* v. *Western Maryland Railway Co.*, 242 U. S. 311. Relying on the analogy of these cases, a result contrary to that in the principal case had been reached in the federal courts. *The Howell*, 257 Fed. 578. See also *Veasey* v. *Peters*, 142 La. 1012, 77 So. 948. The commerce cases, however, are explainable as manifestations of a tendency to uphold legislation regulating the liquor traffic which would be invalid if applied to ordinary commodities. See *Clark Distilling Co.* v. *Western Maryland Railway Co.*, 242 U. S. 311, 332; *Sudden & Christenson* v. *Industrial Accident Commission*, 188 Pac. (Cal.) 803, 805. Hence the decision in the principal case seems correct. A similar result had already been reached by the Supreme Court of California. *Sudden & Christenson* v. *Industrial Accident Commission*, 188 Pac. (Cal.) 803.

BAILMENTS — GRATUITOUS BAILMENTS — DEGREE OF CARE REQUIRED OF BAILEE. — An insured gave the defendant a sum of money, requesting the latter to transmit it in payment of a monthly premium. The defendant, also an insured in the same company, undertook the task gratuitously. Overlooking the date when both his and the insured's premiums were due, he forwarded the money when they were overdue. Consequently the insured was suspended and remained so until his death. The plaintiff, beneficiary of the lapsed policy, sued for the amount payable under the policy. *Held*, that she may recover. *Maddock* v. *Riggs*, 190 Pac. 12 (Kan.).

Courts commonly base the liability of a gratuitous bailee on gross negligence. *Marshall* v. *Pontiac, Oxford, & Northern R. R. Co.*, 126 Mich. 45, 85 N. W. 242; *Gottlieb* v. *Wallace Wall Paper Co.*, 156 N. Y. App. Div. 150, 140 N. Y. Supp. 1032. But the term "gross negligence" has been applied to every conceivable degree of conduct. *Joslyn* v. *King*, 27 Neb. 38, 42 N. W. 756; *Spooner* v. *Mattoon*, 40 Vt. 300.

Because of this confusion, many courts adopted a more exact standard, namely, the same care that the gratuitous bailee took of his own chattels. *Merchants Nat. Bank* v. *Guilmartin*, 93 Ga. 503, 21 S. E. 55; *Rubin* v. *Huhn*, 229 Mass. 126, 118 N. E. 290. By this standard there could be no recovery in the principal case because the defendant was equally careless with his own premiums. A better standard is the care that the bailee as a reasonable man would use in regard to his own chattels. *Schermer* v. *Neurath*, 54 Md. 491; *Gottlieb* v. *Wallace Wall Paper Co., supra*. This is the same as the ordinary standard of due care, because the lack of remuneration is a circumstance under which the bailee acts. *Dinsmore* v. *Abbott*, 89 Me. 373, 36 Atl. 621. It would seem that this is the only clear uniform standard and should be adopted.

BANKS AND BANKING — COLLECTIONS — LIABILITY OF CORRESPONDENT BANK TO DEPOSITOR FOR DEFAULT OF DUTY. — Plaintiff deposited four drafts payable on demand with a Wisconsin bank for collection in Ohio. The Wisconsin bank sent the drafts to the defendant bank in Ohio, which bank negligently allowed seven weeks to elapse before presenting, causing the plaintiff substantial injury. The defendant demurred to the petition. *Held*, that the demurrer be sustained. *Taylor & Bournique Co.* v. *National Bank of Ashtabula*, 262 Fed. 168 (Dist. Ct. N. D., Ohio).

There are two main lines of decision on the nature of the contract made by a bank receiving commercial paper for collection at a distant place. See *City National Bank* v. *Cooper & Griffen*, 91 S. C. 91, 96, 74 S. E. 366, 368. The so-called New York rule treats the receiving bank as an independent contractor to collect the money and holds it directly responsible to the depositor for the correspondent's failure to collect. *National Revere Bank* v. *National Bank of Republic*, 172 N. Y. 102, 64 N. E. 799; *Harter* v. *Bank of Brunson*, 92 S. C. 440, 75 S. E. 696. The correspondent bank is the agent of the receiving bank and under no contractual obligation to the depositor. *Montgomery County Bank* v. *Albany City Bank et al.*, 7 N. Y. 459. Hence, only the receiving bank, and not the depositor, can sue the correspondent for failing to do its contractual duty. *Hyde* v. *First National Bank*, 7 Biss. (U. S. C. C. A.) 156. *Cf. Denny* v. *The Manhattan Co.*, 2 Denio (N. Y.), 115. See 1 MECHEM, AGENCY, 2 ed., §§ 1464, 1465. But, under the Massachusetts rule, the receiving bank undertakes only to select a reputable correspondent and to transmit the drafts promptly to it, making the latter directly responsible, as agent, to the depositor, as principal. *Fabens* v. *Mercantile Bank*, 23 Pick. (Mass.) 330; *Wilson* v. *Carlinville National Bank*, 187 Ill. 222, 58 N. E. 250. Each rule is based upon a conclusive presumption as to the intention of the parties, who probably had no actual intention on this matter. Therefore, practical considerations should control the decision and, in preventing multiplicity of action, the Massachusetts rule seems preferable. Nevertheless, it seems clearly settled that the federal courts have adopted the New York rule. *Exchange National Bank* v. *Third National Bank*, 112 U. S. 276; *Smith* v. *National Bank of D. O. Mills & Co.*, 191 Fed. 226.

BILLS AND NOTES — INDORSEMENT — INDORSEMENT UNDER ASSUMED NAME. — A fraudulently induced the defendant to believe that he was X; and thereupon the defendant gave A a check payable to order of X. A indorsed the check and sold it to the plaintiff, a *bona fide* purchaser. *Held*, that the